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**ADVANCE BATON ROUGE**  
**BATON ROUGE, LOUISIANA**  
**June 30, 2009**



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

**L. A. CHAMPAGNE & CO., L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS  
4911 BENNINGTON AVENUE  
BATON ROUGE, LOUISIANA 70808-3153  
(225) 925-1120

## TABLE OF CONTENTS

<i>Independent auditor's report</i>	i -ii
<i>Financial statements</i>	
Statement of financial position	1
Statement of activities	2
Statement of cash flows	3
Notes to financial statements	4 - 10
Supplemental information	
Combining schedule of financial position	12
Combining schedule of activities	13
Combining schedule of cash flow	14
Schedule of expenditures of federal awards	15
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	16 - 17
Independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133	18 - 19
Summary of audit results and schedule of findings and questioned costs	20 - 21
Schedule of corrective action taken on prior year findings	22
Management's corrective action plan	23

# L. A. CHAMPAGNE & CO., L.L.P.

MICHAEL A. THAM, CPA  
ROBERT L. STAMEY, CPA  
SUSAN S. THAM, CPA

KIMBERLY G. SANDERS, CPA, MBA  
DOMINIC MICHELLI, CPA

CERTIFIED PUBLIC ACCOUNTANTS  
4911 BENNINGTON AVENUE  
BATON ROUGE, LOUISIANA 70808-3153  
(225) 925-1120  
FAX: (225) 927-8124  
EMAIL: lac@laccpa.com

MEMBER OF THE CENTER FOR  
PUBLIC COMPANY AUDIT FIRMS  
AND THE PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CPAS

## INDEPENDENT AUDITOR'S REPORT

Members of the Finance Committee and Board of Directors  
Advance Baton Rouge

We have audited the accompanying statement of financial position of Advance Baton Rouge (ABR), a nonprofit corporation, as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of ABR's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advance Baton Rouge as June 30, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009 on our consideration of ABR's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Continued...*

Our audit was performed for the purpose of forming an opinion on the basic financial statements of ABR taken as a whole. The accompanying schedule of expenditures of federal awards on page 15 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Also, the accompanying combining schedules on pages 12-14 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



November 30, 2009

**ADVANCE BATON ROUGE**  
**STATEMENT OF FINANCIAL POSITION**  
*Year ended June 30, 2009*

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 722,514	
Grants and other receivables	1,228,068	
Prepaid expenses	<u>34,475</u>	
		1,985,057

**FIXED ASSETS**

Property and equipment	224,050	
Less accumulated depreciation	<u>34,900</u>	
		189,150

**OTHER ASSETS**

Deposits		<u>95,000</u>
		<u>\$ 2,269,207</u>

**LIABILITIES**

**CURRENT LIABILITIES**

Short-term loans	\$ 200,000	
Accounts payable	294,069	
Accrued expenses	485,881	
Accrued salaries and benefits	483,467	
Deferred revenue	<u>343,991</u>	
		1,807,408

**NET ASSETS**

Unrestricted		<u>461,799</u>
		<u>\$ 2,269,207</u>

*See accompanying notes*

**ADVANCE BATON ROUGE**  
**STATEMENT OF ACTIVITIES**  
*Year ended June 30, 2009*

**SUPPORT AND REVENUE**

**Local Sources**

Minimum Foundation Program	\$ 6,315,137	
Contributions and grants	880,401	
Fees	46,828	
Other	<u>33,705</u>	
Total local sources		7,276,071

**State Sources**

Minimum Foundation Program	5,161,149	
Grants	<u>246,713</u>	
Total state sources		5,407,862

**Federal Sources**

Grants	<u>2,929,132</u>	
Total federal sources		<u>2,929,132</u>

Total revenues		<u><u>15,613,065</u></u>
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**EXPENSES**

**Instructional Programs**

Regular education	5,277,397	
Special education	1,064,814	
Other education	<u>282,087</u>	
Total instructional programs		6,624,298

**Support Services**

Pupil support services	497,790	
Instructional staff services	1,388,832	
School administration	1,676,667	
General administration	747,836	
Business services	574,909	
Operations and maintenance	2,417,115	
Central services and startup	986,551	
Non-instructional services	253,140	
Interest	14,485	
Depreciation	<u>34,471</u>	
Total support services		<u>8,591,796</u>

Total expenses		<u><u>15,216,094</u></u>
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Change in net assets		396,971
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Net assets - beginning of year		64,828
Net assets - end of year	\$	<u><u>461,799</u></u>

*See accompanying notes*

**ADVANCE BATON ROUGE**  
**STATEMENT OF CASH FLOWS**  
*Year ended June 30, 2009*

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets \$ 396,971

Adjustments to reconcile change in net  
assets to net cash provided by (used in)  
operating activities:

Depreciation	34,471
Decrease (increase) in:	
Grants and other receivables	(834,512)
Prepaid expenses	(21,256)
Increase (decrease) in:	
Accounts payable	112,584
Accrued expenses	392,454
Accrued salaries and benefits	411,424
Deferred revenue	289,405

384,570

Net cash provided by operating activities

781,541

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(209,483)
Deposits paid	(95,000)

Net cash used in investing activities

(304,483)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from short-term loans	449,000
Payments made on short-term loans	(249,000)

Net cash provided by financing activities

200,000

**NET INCREASE IN CASH**

677,058

Cash - beginning of year

45,456

Cash - end of year

\$ 722,514

*See accompanying notes*

**ADVANCE BATON ROUGE**  
**NOTES TO FINANCIAL STATEMENTS**  
*Year ended June 30, 2009*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities*

Advance Baton Rouge (ABR), a nonprofit corporation, with offices in downtown Baton Rouge is a nonprofit organization which was formed in 2005 by several community interest groups to address the area's educational inequities and low achievement rates. ABR is working to bring systemic change to area public education systems through community partnerships transforming schools into social enterprises and developing leadership at all levels in an effort to provide children a quality education.

The Louisiana State Board of Elementary and Secondary Education (BESE) has issued to Advance Baton Rouge Type 5 charters to operate public schools in East Baton Rouge and Pointe Coupee parish as follows:

- **Glen Oaks Middle School** – ABR began operating the school in the 2008-2009 school year. The school serves approximately 465 students in grades 6 through 8.
- **Prescott Middle School** – ABR began operating the school in the 2008-2009 school year. The school serves approximately 442 students in grades 6 through 8.
- **Pointe Coupee Central High School** – ABR began operating the school in the 2008-2009 school year. The school serves approximately 422 students in grades 6 through 12.
- **Dalton Elementary** – ABR will begin operating the school in the 2009-2010 school year. The school will serve students in Pre-Kindergarten through 5<sup>th</sup> grade.
- **Lanier Elementary** – ABR will begin operating the school in the 2009-2010 school year. The school will serve students in Pre-Kindergarten through 5<sup>th</sup> grade.

Advance Baton Rouge contracts with 4<sup>th</sup> Sector Solutions, Inc. to provide certain services related to the operation of the charter schools.

*Basis of presentation*

Financial statement presentation follows the guidance in the Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, ABR is required to report information regarding its financial position and activities under three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the discretion of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of ABR pursuant to those stipulations. Permanently restricted net assets are those resources whose use by ABR is limited to donor-imposed stipulations that neither



**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

expire by passage of time nor can be fulfilled or otherwise removed by actions of ABR. Advance Baton Rouge does not have any temporarily restricted or permanently restricted net assets.

*Basis of accounting – revenue and expense recognition*

ABR prepares its financial statements on an accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Grants and contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. ABR reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for the future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Revenues from governmental grants are generally recognized as allowable expenditures are made.

Revenues received that pertain to future periods or for which the required expenditures have not been made are deferred and recognized as revenue in the applicable period.

Expenses including advertising are recorded when incurred in accordance with the accrual basis of accounting.

Minimum Foundation Program – The charter schools, as Type 5 charters, receive a majority of their funding from BESE based on the number of students enrolled at the schools on a specified count day in the fall (potentially adjusted based on a second specified count day in the spring). Per pupil allocations are funded directly from the State of Louisiana and through the parish in which the school is located at rates based upon available revenues of the respective taxing authorities.

*Receivables and bad debts*

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

*Use of estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### *Income tax status*

ABR is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and applicable state statutes.

In June 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), an interpretation of FASB Statement No. 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes ("SFAS 109"). FIN 48 clarifies the application of SFAS 109 by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements. Additionally, FIN 48 provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In December 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3 which permits an entity within its scope to defer the effective date of FIN 48 to its annual financial statements for fiscal years beginning after December 15, 2008. Advance Baton Rouge has elected to defer the application of FIN 48 to the year ending June 30, 2010. Advance Baton Rouge evaluates its uncertain tax position using the provisions of FASB 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Management has not completed its evaluation of the impact of this standard; however, Advance Baton Rouge does not expect the impact will be material to the financial statements.

### *Property and equipment*

Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation less accumulated depreciation. Depreciation is computed using the straight-line method over useful lives as follows:

Leasehold improvements	10 -30 years or life of the lease
Furniture & fixtures	5 years
Equipment & software	3 years

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation and any resulting gain or loss is reflected in revenue. Major additions are capitalized and charges for maintenance and repairs are charged to expense as paid.

### *Gifts of noncash items*

Noncash gifts and donations are recorded as contributions at their fair values at the date of the donation.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Donated services*

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ABR. Such services are generally acquired from third party providers by ABR. Many individuals volunteer their time and perform a variety of tasks that assist ABR in the performance of its educational activities; however, these services are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

*Annual and sick leave*

Non instructional staff are entitled to paid vacation, accruing at the rate of one day per month of service. Included in accrued salaries and benefits is a provision for the unused vacation attributable to all eligible employees at the employee's current rate of pay. Because accrued sick leave lapses upon termination no amount has been accrued.

*Cash*

For the purpose of the statement of cash flows, cash includes all cash accounts.

*Functional expenses*

Certain expenses are charged directly to functional classifications. Other expenses are allocated between instructional services and support services based upon estimates of staff time spent on each function or other appropriate allocation bases.

**B: CONCENTRATION OF CREDIT RISK**

ABR maintains its cash in bank deposit accounts which, at times, may exceed the federally insured deposit limits.

ABR receives the majority of its revenue under the state and local funding provisions for Type 5 charter schools in Louisiana. Changes to laws and regulations governing these programs and available funding may have a significant effect on ABR's financial condition.

Contributions, grants receivable and promises to give are principally due from various institutional donors and grantors. The concentration of payment risk is not significant because realization of the amounts is dependent primarily upon the financial strength of various government entities, schools and foundations.

## **C: PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at June 30, 2009

Leasehold improvements	\$ 10,235
Furniture & fixtures	67,121
Equipment	139,013
Software	<u>7,681</u>
	224,050
Less accumulated depreciation	<u>(34,900)</u>
Fixed assets, net	<u>\$189,150</u>

Depreciation expense for the year ending June 30, 2009 was \$34,471.

## **D: LEASES**

ABR leases office space under an arrangement accounted for as an operating lease that was effective June 1, 2008, and has an initial term of 24 months.

Future minimum lease payments under the non-cancelable lease are as follows:

Fiscal Year	Amount
<u>June 30,</u>	
2010	\$23,720

As part of the charter agreements, ABR's school facilities, to be used for its educational programs, are provided by the respective parish school systems at no cost other than for utilities.

## **E: RETIREMENT**

ABR's charter schools participate in the Teachers' Retirement System of Louisiana (TRSL). TRSL is a governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. It was founded on August 1, 1936, as a public trust fund to provide retirement benefits for its members. TRSL is the state's largest public retirement system with 160,000 active and retired members. Individual participation in this retirement program is primarily based on meeting eligibility requirements defined by TRSL. For the 2008-2009 school year, individuals that were eligible to participate contributed 8% of their eligible compensation. ABR's contributions to the system were 15.5% of employees' eligible compensation and amounted to \$533,204.

ABR remits contributions monthly to TRSL. As of June 30, 2009, ABR's outstanding liability to TRSL included in its financial statements was \$83,527. Such funds were remitted to TRSL subsequent to June 30, 2009.

## **F: GRANTS AND OTHER RECEIVABLES**

Grants and other receivables at June 30, 2009 are as follows:

U. S. Department of Education and other Federal	
Title IA	\$ 153,275
School Improvements	416,821
PCSP	177,435
School Leadership	131,124
Other Federal	<u>15,673</u>
Total	894,328
State and other	
State of Louisiana	116,578
Other grants	<u>181,548</u>
Total	298,126
Other receivables	<u>35,614</u>
Total grants and other receivables	<u>\$ 1,228,068</u>

## **G: SUBSEQUENT EVENTS**

Effective July 1, 2009, Advance Baton Rouge spun-off its charter school related assets and liabilities into a newly formed entity which will retain the name Advance Baton Rouge (New ABR). The continuing entity which will provide teacher training, principal leadership training and school startup support will be known as Advance Innovative Education (AIE).

Assets and liabilities were primarily separated based upon which entity generated the assets or incurred the liabilities. New ABR received approximately \$541,000 in cash, \$1.042 million in receivables and \$254,000 of other assets for a total of \$1.837 million in total assets and assumed liabilities and debts of \$1.605 million. As a result, net assets of \$232,414 transferred to New ABR.

## **H: CONTINGENCIES**

Advance Baton Rouge is a defendant in several lawsuits alleging unspecified damages as a result of its organization's failure to supervise. In addition several claims have been made involving similar allegations and wrongful termination. Management intends to vigorously defend these lawsuits and claims but is unable to evaluate the outcome of the matters or estimate the amount of any liabilities that may result from unfavorable resolutions.

**H: CONTINGENCIES (continued)**

Federal and State assistance programs represent an important source of funding for ABR. Federal programs are audited annually in accordance with the "Single Audit Act". However, grantor agencies may conduct or require further examinations. Based upon prior experience, management believes that further examination would not result in any significant disallowed costs.

**I: LOANS PAYABLE**

ABR has a \$250,000 line of credit arrangement with a lender that matures on December 31, 2009, and bears interest of 5.25% payable monthly on any outstanding drawings. The line is secured by the guaranty of 4<sup>th</sup> Sector Solutions, Inc. At June 30, 2009, outstanding drawings totaled \$200,000, which together with any unpaid interest is due on December 31, 2009.

## **SUPPLEMENTAL INFORMATION**

**ADVANCE BATON ROUGE**  
**COMBINING SCHEDULE OF FINANCIAL POSITION**  
*Year ended June 30, 2009*

	A/E	Dalton	Lanier	Glen Oaks	Prescott	Pointe Coupee	Inter Program Elimination	Total
<b>ASSETS</b>								
Cash	\$ 274,251	\$ 6,153	\$ 6,013	\$ 97,587	\$ (89,209)	\$ 427,709	\$ -	\$ 722,514
Grants and other receivables	186,227	88,997	88,437	412,225	235,045	217,137	-	1,228,068
Due from other programs	-	-	-	21,628	231,894	39,936	(293,458)	-
Prepaid expenses	-	2,018	1,734	2,572	1,966	26,185	-	34,475
Property and equipment, net	64,219	9,051	8,334	31,846	61,130	14,570	-	189,150
Deposits	-	-	-	25,000	25,000	45,000	-	95,000
	<u>\$ 524,697</u>	<u>\$ 106,229</u>	<u>\$ 104,518</u>	<u>\$ 590,858</u>	<u>\$ 465,826</u>	<u>\$ 770,537</u>	<u>\$ (293,458)</u>	<u>\$ 2,269,207</u>
<b>LIABILITIES</b>								
Short-term loans	\$ -	\$ -	\$ -	\$ 150,000	\$ 50,000	\$ -	\$ -	\$ 200,000
Accounts payable	3,127	6,153	6,013	63,262	59,380	156,124	-	294,069
Due to other programs	92,731	101,150	99,577	-	-	-	(293,458)	-
Accrued expenses	176,762	7,380	6,295	111,580	111,646	72,218	-	485,881
Accrued salaries and benefits	19,633	744	590	159,602	175,761	127,137	-	483,467
Deferred revenue	3,060	-	-	9,234	-	331,697	-	343,991
	<u>295,313</u>	<u>115,437</u>	<u>112,475</u>	<u>493,678</u>	<u>396,787</u>	<u>687,176</u>	<u>(293,458)</u>	<u>1,807,408</u>
<b>NET ASSETS</b>								
Unrestricted	229,384	(9,208)	(7,957)	97,180	69,039	83,361	-	461,799
	<u>\$ 524,697</u>	<u>\$ 106,229</u>	<u>\$ 104,518</u>	<u>\$ 590,858</u>	<u>\$ 465,826</u>	<u>\$ 770,537</u>	<u>\$ (293,458)</u>	<u>\$ 2,269,207</u>



**ADVANCE BATON ROUGE**  
**COMBINING SCHEDULE OF ACTIVITIES**  
*Year ended June 30, 2009*

	AIE	Dalton	Lanier	Glen Oaks	Prescott	Pointe Coupee	Inter Program Elimination	Total
<b>SUPPORT AND REVENUE</b>								
Local Sources								
Minimum Foundation Program	\$ -	\$ -	\$ -	\$ 2,459,774	\$ 2,338,108	\$ 1,517,255	\$ -	\$ 6,315,137
Contributions and grants	686,056	-	-	146,849	34,768	115,883	(103,155)	880,401
Fees	739,482	-	-	-	-	-	(692,654)	46,828
Other	-	-	-	2,944	7,601	23,160	-	33,705
Total local sources	<u>1,425,538</u>	<u>-</u>	<u>-</u>	<u>2,609,567</u>	<u>2,380,477</u>	<u>1,656,298</u>	<u>(795,809)</u>	<u>7,276,071</u>
State Sources								
Minimum Foundation Program	-	-	-	1,751,077	1,664,634	1,745,438	-	5,161,149
Grants	-	-	-	97,996	98,265	50,452	-	246,713
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,849,073</u>	<u>1,762,899</u>	<u>1,795,890</u>	<u>-</u>	<u>5,407,862</u>
Federal Sources								
Grants	387,918	88,997	88,438	803,955	790,361	769,463	-	2,929,132
Total federal sources	<u>387,918</u>	<u>88,997</u>	<u>88,438</u>	<u>803,955</u>	<u>790,361</u>	<u>769,463</u>	<u>-</u>	<u>2,929,132</u>
Total revenues	<u>1,813,456</u>	<u>88,997</u>	<u>88,438</u>	<u>5,262,595</u>	<u>4,933,737</u>	<u>4,221,651</u>	<u>(795,809)</u>	<u>15,613,065</u>
<b>EXPENSES</b>								
Instructional Programs								
Regular education	199,918	2,691	2,028	2,141,198	1,872,517	1,751,699	(692,654)	5,277,397
Special education	-	-	-	399,812	518,053	146,949	-	1,064,814
Other education	-	-	-	76,344	75,611	130,132	-	282,087
Total instructional programs	<u>199,918</u>	<u>2,691</u>	<u>2,028</u>	<u>2,617,354</u>	<u>2,466,181</u>	<u>2,028,780</u>	<u>(692,654)</u>	<u>6,624,298</u>
Support Services								
Pupil support services	-	-	-	163,874	161,487	172,429	-	497,790
Instructional staff services	440,670	365	365	494,953	272,235	180,244	-	1,388,532
School administration	467,189	24,568	23,911	351,594	399,708	409,697	-	1,676,667
General administration	319,687	49,235	49,235	119,228	114,512	95,939	-	747,836
Business services	67,074	1	1	198,925	180,936	127,972	-	574,909
Operations and maintenance	50,343	165	142	734,789	791,559	840,117	-	2,417,115
Central services and startup	42,014	20,875	20,448	327,213	335,798	240,203	-	986,551
Contributions	103,155	-	-	-	-	-	(103,155)	-
Non-instructional services	9,540	285	245	116,874	103,685	22,511	-	253,140
Interest	14,485	-	-	-	-	-	-	14,485
Depreciation	21,232	20	20	4,689	6,721	1,789	-	34,471
Total expenses	<u>1,735,307</u>	<u>98,205</u>	<u>96,395</u>	<u>5,129,493</u>	<u>4,832,822</u>	<u>4,119,881</u>	<u>(795,809)</u>	<u>15,216,094</u>
Change in net assets	<u>78,149</u>	<u>(9,208)</u>	<u>(7,957)</u>	<u>133,102</u>	<u>100,915</u>	<u>101,970</u>	<u>-</u>	<u>396,971</u>
Net assets - beginning of year	151,235	-	-	(35,922)	(31,876)	(18,609)	-	64,828
Net assets - end of year	<u>\$ 229,384</u>	<u>\$ (9,208)</u>	<u>\$ (7,957)</u>	<u>\$ 97,180</u>	<u>\$ 69,039</u>	<u>\$ 83,361</u>	<u>\$ -</u>	<u>\$ 461,799</u>

**ADVANCE BATON ROUGE**  
**COMBINING SCHEDULE OF CASH FLOWS**  
*Year ended June 30, 2009*

	AIE	Dalton	Lanter	Glen Oaks	Prescott	Pointe Coupee	Inter program Elimination	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Change in net assets	\$ 78,149	\$ (9,208)	\$ (7,957)	\$ 133,102	\$ 100,915	\$ 101,970	\$ -	\$ 396,971
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Depreciation	21,232	20	20	4,689	6,721	1,789	-	34,471
Decrease (increase) in:								
Grants and other receivables	(157,221)	(88,997)	(88,437)	(280,186)	(107,276)	(112,395)	-	(834,512)
Inter program receivables	413,833	-	-	(21,828)	(231,894)	(39,936)	(120,375)	-
Prepaid expenses	3,786	(2,018)	(1,733)	805	1,326	(23,422)	-	(21,256)
Increase (decrease) in:								
Accounts payable	(12,394)	6,164	6,013	2,951	573	109,277	-	112,584
Inter program payables	92,731	101,150	99,577	(150,529)	(146,490)	(116,814)	120,375	-
Accrued expenses	118,197	7,380	6,295	97,632	100,518	62,432	-	392,454
Accrued salaries and benefits	(36,074)	743	589	153,629	168,869	123,668	-	411,424
Deferred revenue	(51,526)	-	-	9,234	-	331,697	-	289,405
Net cash provided by (used in) operating activities	<u>470,713</u>	<u>15,234</u>	<u>14,367</u>	<u>(50,301)</u>	<u>(106,738)</u>	<u>438,266</u>	<u>-</u>	<u>781,541</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of property and equipment	(94,584)	(5,815)	(5,098)	(31,717)	(63,072)	(9,197)	-	(209,483)
Transfer of property and equipment	16,280	(3,256)	(3,256)	(3,256)	(3,256)	(3,256)	-	-
Deposits paid	-	-	-	(25,000)	(25,000)	(45,000)	-	(95,000)
Net cash used in investing activities	<u>(78,304)</u>	<u>(9,071)</u>	<u>(8,354)</u>	<u>(59,973)</u>	<u>(91,328)</u>	<u>(57,453)</u>	<u>-</u>	<u>(304,483)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds from short-term loans	249,000	-	-	150,000	50,000	-	-	449,000
Payments made on short-term loans	(249,000)	-	-	-	-	-	-	(249,000)
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>392,409</u>	<u>6,163</u>	<u>6,013</u>	<u>39,726</u>	<u>(148,066)</u>	<u>380,813</u>	<u>-</u>	<u>577,058</u>
Cash - beginning of year	(118,158)	-	-	57,861	58,857	46,896	-	45,456
Cash - end of year	<u>\$ 274,251</u>	<u>\$ 6,163</u>	<u>\$ 6,013</u>	<u>\$ 97,587</u>	<u>\$ (89,209)</u>	<u>\$ 427,709</u>	<u>\$ -</u>	<u>\$ 722,514</u>

**ADVANCE BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended June 30, 2009

FEDERAL GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT YEAR END	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	TOTAL FEDERAL EXPENDITURES
U.S. Department of Education Passed through Louisiana State Department of Education:					
Title IA Grants to Local Educational Agencies	84.010	09/30/2009	\$ 572,213	\$ 572,213	\$ 572,213
Title IA School Improvements	84.010A	09/30/2009	416,821	416,821	416,821
Individuals with Disabilities Education Act	84.027	09/30/2009	341,435	341,435	341,435
Title IV Safe and Drug-Free Schools and Communities	84.186	09/30/2009	2,909	2,909	2,909
Public Charter School Program	84.282A	07/31/2011	3,400,000	1,012,885	1,012,885
Re-Designing Lessons, Re-Envisioning Principals	84.363A	09/30/2013	3,111,011	387,918	387,918
Title IIA Improving Teacher Quality	84.367	09/30/2009	135,448	135,448	135,448
ROTC		06/30/2009	-	59,503	59,503
Total Federal Awards			<u>\$ 7,979,837</u>	<u>\$ 2,929,132</u>	<u>\$ 2,929,132</u>

Note A: The schedule above is prepared using accrual basis of accounting. This information is presented in accordance with the requirement of OMB Circular A-133, Audits of State, Local Government, and NonProfit Organizations. Therefore, the amounts presented on the schedule may differ from amounts presented in the basic financial statements.

# **L. A. CHAMPAGNE & CO., L.L.P.**

MICHAEL A. THAM, CPA  
ROBERT L. STAMEY, CPA  
SUSAN S. THAM, CPA

KIMBERLY G. SANDERS, CPA, MBA  
DOMINIC MICHELLI, CPA

CERTIFIED PUBLIC ACCOUNTANTS  
4911 BENNINGTON AVENUE  
BATON ROUGE, LOUISIANA 70808-3153  
(225) 925-1120  
FAX: (225) 927-8124  
EMAIL: lac@laccpa.com

MEMBER OF THE CENTER FOR  
PUBLIC COMPANY AUDIT FIRMS  
AND THE PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CPAs

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Advance Baton Rouge

We have audited the accompanying financial statements of Advance Baton Rouge, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Advance Baton Rouge's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Advance Baton Rouge's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies

in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Advance Baton Rouge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management and board of Advance Baton Rouge, the Legislative Auditor, and federal awarding agencies and it is not intended to be and should not be used by anyone other than these specified parties.



November 30, 2009

## **L. A. CHAMPAGNE & CO., L.L.P.**

MICHAEL A. THAM, CPA  
ROBERT L. STAMEY CPA  
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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors  
Advance Baton Rouge

#### Compliance

We have audited the compliance of Advance Baton Rouge with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Advance Baton Rouge's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Advance Baton Rouge's management. Our responsibility is to express an opinion on Advance Baton Rouge's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Advance Baton Rouge's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Advance Baton Rouge's compliance with those requirements.

In our opinion, Advance Baton Rouge complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

#### Internal Control Over Compliance

The management of Advance Baton Rouge is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants

applicable to federal programs. In planning and performing our audit, we considered Advance Baton Rouge's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Advance Baton Rouge's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects that entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the management and board of Advance Baton Rouge, the Legislative Auditor, and federal awarding agencies and it is not intended to be and should not be used by anyone other than these specified parties.



November 30, 2009

**ADVANCE BATON ROUGE**  
**SUMMARY OF AUDIT RESULTS AND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*Year Ended June 30, 2009*

**A: SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Advance Baton Rouge.
2. No significant deficiencies in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *"Governmental Auditing Standards."*
3. No instances of noncompliance material to the financial statements of Advance Baton Rouge were disclosed during the audit.
4. No significant deficiencies in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditor's report on compliance for the major federal award programs for Advance Baton Rouge expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Advance Baton Rouge are reported in Part C of this Schedule.
7. The programs tested as a major program are as follows:
  - U. S. Department of Education
  - Title I - Grants to Local Educational Agencies; CFDA#84.010
  - Title V - Charter Schools; CFDA#84.282
  - RLRP - School Leadership; CFDA#84.363
  - IDEA - Special Education; CFDA#84.027
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Advance Baton Rouge was determined not to be a low-risk auditee, because this is the first year a single audit under OMB Circular A-133 was required.



**B: FINDINGS - FINANCIAL STATEMENTS AUDIT**

There were no findings that are required to be reported in this section of the report.

**C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD  
PROGRAM AUDIT**

There are no findings that are required to be reported in this section of the report.

**ADVANCE BATON ROUGE  
SCHEDULE OF CORRECTIVE ACTION TAKEN  
ON PRIOR YEAR FINDINGS**

*Year Ended June 30, 2009*

**2008-1      Internal Control over Financial Reporting**

*Condition:* We have always assisted management in the analysis and reclassification of various accounts in order to close the books at year end and in drafting the financial statements and related notes as part of our year-end audit process.

At that time it was not feasible for Advance Baton Rouge (ABR) to acquire the expertise necessary to actually draft the year-end financial statements in accordance with GAAP.

*Resolution:* The financial consultants of 4<sup>th</sup> Sector Solutions, Inc., the contract operator of ABR's schools, closed the year-end accounting and drafted the financial statements including the footnotes in accordance with generally accepted accounting principles for the year ended June 30, 2009.

**2008-2      Engagement Completion**

*Condition:* Advance Baton Rouge implemented a program to take over operation of three underperforming schools last fiscal year and a new management team was brought in to operate the schools and an entirely new and more complex accounting system was adopted late in the year. These drastic changes delayed reporting of key accounting information to the auditors. This caused the audit report to be submitted after the December 31, 2008 deadline to the Louisiana Legislative Auditor.

*Resolution:* Management and the financial consultants of 4th Sector Solutions, Inc. completed the accounting for the year ended June 30, 2009, on a timely basis and were prepared for the commencement of the audit in order that it could be completed and submitted to the Louisiana Legislative Auditor prior to the December 31, 2009 deadline.

**ADVANCE BATON ROUGE**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
*Year Ended June 30, 2009*

None required

**ADVANCE BATON ROUGE**  
**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON**  
**APPLYING AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**L. A. CHAMPAGNE & CO., L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS  
4911 BENNINGTON AVENUE  
BATON ROUGE, LOUISIANA 70808-3153  
(225) 925-1120

## TABLE OF CONTENTS

Independent accountant's report on applying agreed-upon procedures	1-6
Schedules required by state law (R.S. 24:514-Performance and statistical data):	7-9
Schedule 1 - General fund instructional and support expenditures and certain local revenue sources	10
Schedule 2 - Education levels of public school staff	11
Schedule 3 - Number and type of public schools	12
Schedule 4 - Experience of public principals, assistant principals and full-time classroom teachers	13
Schedule 5 - Public school staff data: average salaries	14
Schedule 6 - Class size characteristics	15
Schedule 7 - Louisiana educational assessment program (LEAP)	16
Schedule 8 - Graduation exit exam (GEE)	17
Schedule 9 - iLEAP test	18-20

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## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Advance Baton Rouge

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Advance Baton Rouge (ABR), operator of the Glen Oaks Middle Charter School, Prescott Middle Charter School, Pointe Coupee Central High Charter School, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of ABR and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). Management of ABR is responsible for its performance and statistical data. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS**

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

*General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources (Schedule 1)*

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenue are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:
  - Total general fund instructional expenditures
  - Total general fund equipment expenditures
  - Total local taxation revenue
  - Total local earnings on investment in real property
  - Total state revenue in lieu of taxes
  - Nonpublic textbook revenue
  - Nonpublic transportation revenue

No differences noted.

*Education Levels of Public School Staff (Schedule 2)*

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to ABR's supporting payroll records as of October 1, 2008.

No differences noted.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS, CONTINUED**

*Education Levels of Public School Staff (Schedule 2), continued*

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.  
  
No differences noted.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2008 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.  
  
No differences noted.

*Number and Type of Public Schools (Schedule 3)*

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application.  
  
No differences noted.



**INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS, CONTINUED**

*Experience of Public Principals and Full-Time Classroom Teachers (Schedule 4)*

6. We obtained a list of full-time teachers, principals and assistant principals by classification as of October 1, 2008 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences noted.

*Public School Staff Data: Average Salaries (Schedule 5)*

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences noted.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences noted.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS, CONTINUED**

*Class Size Characteristics (Schedule 6)*

9. We obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to schedule 3 data as obtained in procedure 5. We then attempted to trace a random sample of 10 classes to the October 1, 2008 roll books for those classes to determine if the class was properly classified on the schedule:

For seven of the classes selected, roll books from October 1, 2008, verified the reported class size.

Roll books for October 1, 2008, for three of the classes selected were not available because teachers of those classes on October 1, 2008, subsequently resigned and failed to turn in their roll books. For two of these classes, other documentation of class size near the report date indicated that the class size was likely reported in the appropriate range. One activity class size could not be supported by a roll book or other documentation.

*Louisiana Educational Assessment Program (LEAP) (Schedule 7)*

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ABR.

No differences noted.

*Graduation Exit Exam (GEE) (Schedule 8)*

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ABR.

No differences noted.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON  
APPLYING AGREED-UPON PROCEDURES  
(CONTINUED)**

**PROCEDURES AND FINDINGS, CONTINUED**

*iLEAP Test (Schedule 9)*

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ABR.

No differences noted.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Advance Baton Rouge, the Louisiana Department of Education, the Louisiana Recovery School District, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "L. A. Champagne". The signature is written in a cursive, flowing style.

January 12, 2010

**ADVANCE BATON ROUGE  
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514-  
PERFORMANCE AND STATISTICAL DATA)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**Schedule 1- General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, and revenue in lieu of taxes. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% expenditure requirement report.

**Schedule 2- Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3- Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4- Experience of Public Principals and Full-Time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**ADVANCE BATON ROUGE  
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514-  
PERFORMANCE AND STATISTICAL DATA)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

**Schedule 5- Public School Staff Data: Average Salaries**

This schedule includes average classroom teachers' salaries using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6- Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20; 21-26; 27-33 and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**Schedule 7- Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as advanced, proficient, basic, approaching basic and unsatisfactory. This schedule includes data for the 2009 school year. Because the district was chartered in the 2009 school year, no data is reported for 2008 and 2007 school years.

**Schedule 8- Graduation Exit Exam (GEE)**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as advanced, proficient, basic, approaching basic and unsatisfactory. This schedule includes data for the 2009 school year. Because the district was chartered in the 2009 school year, no data is reported for 2008 and 2007 school years.

**ADVANCE BATON ROUGE  
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514-  
PERFORMANCE AND STATISTICAL DATA)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009**

Schedule 9- iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3,5,6,7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data. This schedule includes data for the 2009 school year. Because the district was chartered in the 2009 school year, no data is reported for 2008 and 2007 school years.

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
For the Year Ended June 30, 2009**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 3,632,135	
Other Instructional Staff Activities	694,820	
Instructional Staff Employee Benefits	937,598	
Purchased Professional and Technical Services	873,766	
Instructional Materials and Supplies	235,056	
Instructional Equipment	19,940	
Total Teacher and Student Interaction Activities		\$ 6,393,315

Other Instructional Activities		66,166
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Pupil Support Services	210,147	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services		210,147

Instructional Staff Services	433,051	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		433,051

School Administration	1,130,701	
Less: Equipment for School Administration	-	
Net School Administration		1,130,701

Total General Fund Instructional Expenditures (Total of Column B)		\$ 8,233,380
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Total General Fund Equipment Expenditures (Object 730; Function 1000-4000)		\$ 33,139
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Sales and Use Taxes	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	-
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue	\$ -
Nonpublic Transportation Revenue	\$ -

See accompanying independent accountant's report on applying agreed-upon procedures

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**Education Levels of Public School Staff  
As of October 1, 2008**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than Bachelor's	0	0.00%	1	3.22%	0	0.00%	0	0.00%
Bachelor's	37	68.52%	22	70.97%	3	25.00%	1	100.00%
Master's	14	25.93%	7	22.58%	7	58.34%	0	0.00%
Master's + 30	1	1.85%	1	3.23%	1	8.33%	0	0.00%
Specialist in Education	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Ph.D. or Ed.D.	2	3.70%	0	0.00%	1	8.33%	0	0.00%
Total	54	100.00%	31	100.00%	12	100.00%	1	100.00%

See accompanying independent accountant's report on applying agreed-upon procedures



**Advance Baton Rouge  
Baton Rouge, Louisiana**

**Number and Type of Public Schools  
For the Year Ended June 30, 2009**

Type	Number
Elementary	0
Middle/Jr. High	2
Secondary	0
Combination	1
Total	3

Note: Schools the state has granted a charter to ABR but not yet operated by ABR during the fiscal year are not included.

See accompanying independent accountant's report on applying agreed-upon procedures

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers  
As of October 1, 2008**

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	2	0	5	2	0	0	0	9
Principals	0	0	0	0	1	1	2	4
Classroom Teachers	47	9	14	6	3	1	5	85
Total	49	9	19	8	4	2	7	98

See accompanying independent accountant's report on applying agreed-upon procedures

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**Public School Staff Data  
For the Year End June 30, 2009**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
Average Classroom Teachers' Salaries Including Extra Compensation	43,933	43,223
Average Classroom Teachers' Salaries Excluding Extra Compensation	43,933	43,223
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	93	91

Note: Figures reported include all sources of funding (i.e., federal, state and local) but exclude employee benefits.

See accompanying independent accountant's report on applying agreed-upon procedures

**Advancé Baton Rouge  
Baton Rouge, Louisiana**

**Class Size Characteristics  
As of October 1, 2008**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary/Activity Classes								
Middle/Jr. High	63.30%	193	34.09%	104	2.61%	8	0.00%	0
Middle/Jr. High Activity Classes	32.37%	11	32.35%	11	11.76%	4	23.52%	8
High								
High Activity Classes								
Combination	78.42%	138	8.52%	15	11.36%	20	1.70%	3
Combination Activity Classes	83.33%	35	9.52%	4	4.76%	2	2.38%	1

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See accompanying independent accountant's report on applying agreed-upon procedures

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**Louisiana Educational Assessment Program (LEAP)  
For the Year Ended June 30, 2009**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8								
Advance	0	0%	0	0%	0	0%	0	0%
Mastery	2	1%	1	1%	4	1%	1	1%
Basic	86	30%	64	22%	28	10%	28	10%
Approaching Basic	150	52%	99	34%	108	38%	64	22%
Unsatisfactory	49	17%	123	43%	147	51%	193	67%
Total	287	100%	287	100%	287	100%	286	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8								
Advance	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	N/A	0%	N/A	0%	N/A	0%	N/A	0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8								
Advance	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	N/A	0%	N/A	0%	N/A	0%	N/A	0%

Note: District chartered in 2009 no data reported for 2008 and 2007.

See accompanying independent accountant's report on applying agreed-upon procedures

**Advancé Baton Rouge  
Baton Rouge, Louisiana**

**Graduation Exit Exam (GEE)  
For the Year Ended June 30, 2009**

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advance	0	0%	N/A	0%	N/A	0%	0	0%	N/A	0%	N/A	0%
Mastery	0	0%	N/A	0%	N/A	0%	1	3%	N/A	0%	N/A	0%
Basic	9	21%	N/A	0%	N/A	0%	12	33%	N/A	0%	N/A	0%
Approaching Basic	9	21%	N/A	0%	N/A	0%	8	22%	N/A	0%	N/A	0%
Unsatisfactory	24	58%	N/A	0%	N/A	0%	15	42%	N/A	0%	N/A	0%
<b>Total</b>	<b>42</b>	<b>100%</b>	<b>N/A</b>	<b>0%</b>	<b>N/A</b>	<b>0%</b>	<b>36</b>	<b>100%</b>	<b>N/A</b>	<b>0%</b>	<b>N/A</b>	<b>0%</b>

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advance	0	0%	N/A	0%	N/A	0%	0	0%	N/A	0%	N/A	0%
Mastery	2	4%	N/A	0%	N/A	0%	0	0%	N/A	0%	N/A	0%
Basic	10	20%	N/A	0%	N/A	0%	14	28%	N/A	0%	N/A	0%
Approaching Basic	15	29%	N/A	0%	N/A	0%	13	25%	N/A	0%	N/A	0%
Unsatisfactory	24	47%	N/A	0%	N/A	0%	24	47%	N/A	0%	N/A	0%
<b>Total</b>	<b>51</b>	<b>100%</b>	<b>N/A</b>	<b>0%</b>	<b>N/A</b>	<b>0%</b>	<b>51</b>	<b>100%</b>	<b>N/A</b>	<b>0%</b>	<b>N/A</b>	<b>0%</b>

Note: District chartered in 2009 no data reported for 2008 and 2007.

See accompanying independent accountant's report on applying agreed-upon procedures

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**/LEAP Tests  
For the Year Ended June 30, 2009**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	1	0%	0	0%	0	0%
Mastery	1	0%	2	1%	3	1%	0	0%
Basic	65	26%	91	36%	33	13%	22	9%
Approaching Basic	89	35%	58	23%	100	40%	89	37%
Unsatisfactory	98	39%	99	40%	113	46%	132	54%
Total	253	100%	251	100%	249	100%	243	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	2	1%	2	1%	1	0%	4	1%
Basic	65	22%	62	22%	44	16%	83	29%
Approaching Basic	116	40%	88	30%	120	42%	112	40%
Unsatisfactory	107	37%	136	47%	120	42%	86	30%
Total	290	100%	288	100%	285	100%	285	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0%	0	0%
Mastery	1	1%	2	2%
Basic	20	21%	17	18%
Approaching Basic	38	40%	19	20%
Unsatisfactory	37	38%	58	60%
Total	96	100%	96	100%

See accompanying independent accountant's report on applying agreed-upon procedures

**Advance Baton Rouge  
Baton Rouge, Louisiana**

**/LEAP Tests  
For the Year Ended June 30, 2009**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%
Total	0	0%	0	0%

Note: District chartered in 2009 no data reported for 2008.

See accompanying independent accountant's report on applying agreed-upon procedures



**Advance Baton Rouge  
Baton Rouge, Louisiana**

**/LEAP Tests  
For the Year Ended June 30, 2009**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%	N/A	0%	N/A	0%
Total	0	0%	0	0%	0	0%	0	0%

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	0%	N/A	0%
Mastery	N/A	0%	N/A	0%
Basic	N/A	0%	N/A	0%
Approaching Basic	N/A	0%	N/A	0%
Unsatisfactory	N/A	0%	N/A	0%
Total	0	0%	0	0%

Note: District chartered in 2009 no data reported for 2007.

See accompanying independent accountant's report on applying agreed-upon procedures